

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
Wireless Telecommunications Bureau Seeks)	WT Docket No. 06-150
Comment on Process for Relicensing 700 MHz)	
Spectrum in Unserved Areas)	

COMMENTS OF T-MOBILE USA, INC.

T-Mobile USA, Inc. (“T-Mobile”),^{1/} submits these comments in response to the Public Notice^{2/} seeking comment on the Wireless Telecommunications Bureau’s (“Bureau”) proposed processes for relicensing returned 700 MHz Lower A, B, and E Block, and Upper C Block spectrum. In creating these processes, the Bureau should focus on requirements that will result in both recapturing and relicensing that will be administratively straightforward to implement with clear notice to licensees that if they fail to comply with Bureau procedures, they will lose their authorizations.

I. INTRODUCTION

T-Mobile, including the MetroPCS brand, offers nationwide wireless voice, text, and data services to 69.6 million subscribers.^{3/} In the second quarter of 2017, T-Mobile added 1.3 million net customers – marking seventeen straight quarters of adding more than 1 million every quarter.^{4/} T-Mobile also saw continued growth in postpaid phone customers – with postpaid net

^{1/} T-Mobile USA, Inc. is a wholly-owned subsidiary of T-Mobile US, Inc., a publicly traded company.

^{2/} *Wireless Telecommunications Bureau Seeks Comment On Process For Relicensing 700 MHz Spectrum In Unserved Areas*, WT Docket No. 06-150, Public Notice (rel. Aug. 28, 2017) (“Public Notice”).

^{3/} See T-Mobile News Release, *T-Mobile Delivers Record Results In Q2 2017, Un-Carrier Performing At Peak Levels Across The Board* (July 19, 2017, 4:05 PM), <http://investor.t-mobile.com/file/Index?KeyFile=389520474>.

^{4/} See *id.*

additions expected to lead industry for the 6th consecutive quarter^{5/} – and continued success at MetroPCS.^{6/}

Some of this dramatic growth is driven by T-Mobile’s continued improvements to its 4G LTE network. Largely through aggressive deployment of 700 MHz spectrum, the company more than doubled its 4G LTE coverage.^{7/} Among other things, it is expanding Extended Range LTE, which operates on T-Mobile’s Lower 700 MHz A Block spectrum to enhance coverage and in-building performance. Extended Range LTE is layered on top of T-Mobile’s nationwide LTE network, and currently covers more than 210 million people in 350 market areas, contributing significantly to T-Mobile’s overall LTE coverage of 314 million pops.^{8/} T-Mobile continues to evaluate opportunities to acquire additional 700 MHz A Block spectrum licenses.

While T-Mobile is a 700 MHz licensee, it expects to be more directly affected by the processes proposed in the Public Notice as a potential acquirer of unused spectrum. T-Mobile acquires spectrum, whether at auction or in the secondary market, to meet the growing demand for additional network capacity and coverage. T-Mobile has a strong record of meeting and exceeding its performance requirements, and once it begins to provide service, it continues to do so. For example, T-Mobile outperformed the Bureau’s buildout requirements for bringing service to Montana and Wyoming.^{9/} T-Mobile therefore supports robust performance

^{5/} See *id.*

^{6/} See *id.*

^{7/} See Colin Gibbs, *T-Mobile: LTE network expanded by 250% last year, largely thanks to 700 MHz spectrum*, FierceWireless (Jan. 6, 2016), <http://www.fiercewireless.com/wireless/t-mobile-lte-network-expanded-by-250-last-year-largely-thanks-to-700-mhz-spectrum>.

^{8/} See *T-Mobile Celebrates 4 Years as a Public Company with Industry Leading Customer & Financial Growth and Game-Changing Spectrum Auction Results*, T-Mobile (Apr. 24, 2017), <https://newsroom.t-mobile.com/news-and-blogs/q1-2017-earnings.htm>.

^{9/} Letter from Roger S. Noel, Chief, Mobility Division, Wireless Telecommunications Bureau, to Steve B. Sharkey, T-Mobile License LLC, 31 FCC Rcd 13379, WT-Docket No. 16-319 (rel. Dec. 21, 2016); see Letter from Dave Mayo, Senior Vice President, Technology Strategy, Finance and

requirements to ensure that spectrum is not warehoused and is put to effective use. In creating procedures for recapturing unserved 700 MHz license areas, T-Mobile encourages the Commission to simplify required demonstrations and rigorously enforce its performance requirements so that spectrum not in use can be quickly recaptured to provide service.

II. IDENTIFYING AREAS AVAILABLE FOR RELICENSING

The Bureau's proposed "keep-what-you-serve" ("KWYS") mapping requirements are unnecessarily burdensome and will complicate relicensing of unused spectrum.^{10/} The Bureau proposes that licensees that fail to satisfy their end-of-term coverage requirements submit either a Smooth Contour or Alternative Smooth Contour shapefile demonstrating the portion of the licensee's service area containing existing facilities.^{11/} In justifying the proposed processes, the Bureau describes its "need for functional license boundaries" and argues that the Smooth Contour and Alternative Smooth Contour approach is the "most practical format for demonstrating coverage area."^{12/} The Smooth Contour and Alternative Smooth Contour approach, however, will not help the Bureau reach its desired goal, as it does not take into account the marketplace hurdles that use of these boundaries can pose.

Instead, the Bureau should consider using counties to define areas that licensees will be permitted to retain and be required to divest.^{13/} Under the county-based approach, licensees that

Development, T-Mobile License LLC, to Marlene H. Dortch, Secretary, FCC, WT-Docket No. 16-319 (filed July 21, 2017).

^{10/} Public Notice ¶ 7.

^{11/} *Id.*

^{12/} *Id.*

^{13/} The Commission's rules do not specify how to determine the geographic areas retained and surrendered. T-Mobile believes that the county-based approach will still enable licensees to comply with the Commission's technical rules limiting the field strength at geographical boundaries to 40 dBµV/m. *See* 47 CFR § 27.55(a)(2).

serve over 50% of the geography of a county should be able to retain the entire county, and licensees that cover 50% or less of a county would lose the license for that county. This county-based approach will make spectrum available for relicensing in a more efficient manner. Most Commission-issued authorizations, including census tracts, are based on county boundaries; the Commission lists the respective counties contained within most geographic licensing areas.^{14/} Recaptured county-based areas will more easily conform to the boundaries of providers' other spectrum assets. Further, using a county-based definition would aid Commission and licensee record-keeping; attempting to create licensee-defined license areas in the Commission's Universal Licensing System ("ULS") is both burdensome and often produces inaccurate results. This approach will also simplify subsequent licensees' obligations to demonstrate coverage.

In comparison to the Smooth Contour and Alternative Smooth Contour approach, the county-based approach better conforms to the Commission's rules requiring service areas made available in re-auction be at least 50 square miles.^{15/} The Smooth Contour and Alternative Smooth Contour approach may produce areas that are too small to be re-auctioned, orphaning those areas. County-based relicensing will provide these orphaned areas with a better opportunity to receive service. Similarly, it will provide an incentive for initial licensees to offer greater coverage. Licensees will not be able to keep small portions of a county, as they would under a Smooth Contour and Alternative Smooth Contour approach. Instead, they would be required to provide service to over 50% of the county in order to retain *any* authorization for the county.

^{14/} *FCC Areas*, FCC, <https://www.fcc.gov/oet/maps/areas> (last accessed Sept. 25, 2017).

^{15/} 47 CFR §§ 27.14(g)(3), (h)(3), (i)(3).

If the Bureau does not adopt T-Mobile’s proposed county-based approach, it should define geographic areas retained and surrendered consistent with geographic areas defined in other reporting contexts, such as census tracts. For example, entities bid on mobility fund payments on a census block or census tract basis.^{16/} Like using counties, an approach using census tracts would also be administratively more streamlined than submitting shapefiles under the Smooth Contour and Alternative Smooth Contour approach and would simplify subsequent licensees’ coverage demonstrations. Also, like using counties, the Bureau could use a 50% test to determine whether a licensee can retain an entire census tract. While census tract license areas are inappropriate for initial licensing – they are too small, thus making them economically and administratively burdensome – they can be effectively used for re-licensing unserved areas. Unserved areas are typically smaller than the original licensed area. Nonetheless, if the Bureau decides to use shapefiles, it should retain the Smooth Contour and Alternative Smooth Contour approach for the reasons stated in the Public Notice.

III. RELICENSING PROCESS

The Bureau proposes to implement a two-phase application process for relicensing unserved areas.^{17/} While the process outlined in the Public Notice appears straightforward, it is critical that the Bureau’s process is clear and that it acts promptly to enforce it to actually make unused spectrum available. Allowing licensees to engage in lengthy delay tactics because of

^{16/} *Connect America Fund; Universal Service Reform – Mobility Fund II*, WC Docket No. 10-90; WT Docket No. 10- 208, Report and Order and Further Notice of Proposed Rulemaking, 32 FCC Rcd 2152, ¶ 39 (2017) (“[E]ligible areas will be aggregated into census block groups or census tracts for purposes of the auction.”).

^{17/} Public Notice ¶ 11.

unclear Bureau procedures will simply lead to spectrum warehousing, which is contrary to the public interest.^{18/}

The Bureau can take several actions that will support that goal. *First*, it can make clear, that if licensees fail to submit end-of-term performance notifications at all, the entire license will be deemed recaptured, and the Bureau will re-auction the available spectrum. *Second*, in cases where a licensee contests the Commission’s evaluation of its performance demonstration, it must still provide, as part of that challenge, a map identifying the area available for relicensing, assuming the Bureau’s determination is upheld.^{19/} If a licensee fails to provide a map of the area it proposes to retain, the entire license should be deemed available for re-auction. In both of these cases, if licensees do not provide either a final performance report or a license area they propose to retain, they can thwart the re-auction process – which is dependent on a clear understanding of the geographic boundaries for served areas. That result is plainly contrary to the public interest.

For Phase 1 of the relicensing process, the Bureau proposes to prohibit entities that previously had any interest or ownership in, or any control of any part of surrendered areas from re-acquiring those areas.^{20/} The Bureau should take an expansive view of this bar, as it does in Section 1.2110(c)(2) of the Commission’s rules for designated entities.^{21/} In addition to not having any interest in or control of – either *de facto* or *de jure* – over the original licensee, an applicant should not have had a management agreement, lease arrangement, or similar interests

^{18/} For example, the Commission’s ability to re-auction certain millimeter wave spectrum remains unclear because of vague Commission licensing and spectrum re-capture procedures. *See FiberTower Spectrum Holdings, LLC v. FCC*, 782 F.3d 692 (D.C. Cir. 2015).

^{19/} Public Notice ¶ 12.

^{20/} *Id.* ¶¶ 13-14; 47 CFR § 27.14(j)(1).

^{21/} 47 CFR § 1.2110(c)(2).

in the license as outlined in Section 1.2110(c)(2). Potential applicants must be completely unaffiliated with the prior licensee.

IV. RELICENSED AREAS

In order to deter “potential gaming of the relicensing process,” and to further the Commission’s goals of ensuring that valuable spectrum is put to use, the Bureau proposes to allow licensees to assign the licenses it obtained through relicensing – including partitioning and disaggregation – only after the licensee meets the one-year construction benchmark.^{22/} T-Mobile disagrees with this approach. The Bureau should permit relicensing so long as the successor entities are bound by the same 100 percent coverage requirement at the end of the one-year construction deadline.^{23/} By imposing those original obligations on any successor, the Bureau will have achieved its goals of ensuring that the recaptured spectrum is put to use. And by allowing partitioning and disaggregation in particular, the Bureau can enable those seeking access to 700 MHz spectrum to serve small or rural geographic areas to gain access on the secondary market to spectrum rights in those areas in which a licensee is not deploying service itself. Through partitioning and disaggregation, the secondary market will ensure that spectrum is put to its most effective use when it not used by licensees. Similarly, there is no reason to prohibit assignment of relicensed areas if the coverage requirements apply to the new licensee. If the Bureau nevertheless imposes this restriction, it should still permit *pro forma* transfers and assignments, which also appear to be prohibited under the Bureau’s proposed procedures.

^{22/} Public Notice ¶ 22.

^{23/} *Id.*

V. CONCLUSION

T-Mobile desires to continue bringing service to rural and underserved areas. And the 700 MHz band will be integral to facilitating this growth. The Bureau should implement robust performance and relicensing requirements for recaptured 700 MHz spectrum to ensure that this valuable spectrum is put to its most efficient use.

Respectfully submitted,

/s/ Christopher Wieczorek

Christopher Wieczorek
David Crawford

T-MOBILE USA, INC.
601 Pennsylvania Avenue, N.W.
Suite 800
Washington, DC 20004
(202) 654-5900

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